

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317)232-9855

FISCAL IMPACT STATEMENT

LS 6045

BILL NUMBER: HB 1100

DATE PREPARED: Feb 23, 1999

BILL AMENDED: Feb 22, 1999

SUBJECT: Alcoholic beverage permit matters.

FISCAL ANALYST: Kristin Breen

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill makes certain changes concerning permits and sales of alcoholic beverages by wholesalers. It eliminates the requirement of a \$500 surety bond for alcoholic beverage wholesalers, wine bottlers, and alcoholic beverage carriers. It provides that payments required under the alcoholic beverage laws may be made by a check drawn on a business bank account.

It corrects a reference to the Indiana Administrative Code in order to cite the current rule on Sunday sales of alcoholic beverages by certain retailers. It provides that the Alcoholic Beverage Commission may not issue a beer retailer's permit to a person who, within ten years before the date of application, has been convicted of certain federal or state crimes. It provides that the holder of an alcoholic beverages club permit may keep a guest book listing members and their nonmember guests, except on designated guest days. It also provides that the city of Mishawaka may obtain a permit for the retail sale of alcoholic beverages at the city golf course.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill provides that beer wholesaler and wine wholesaler permits are effective for two calendar years. Under current law they are effective for one year. This may decrease the Alcoholic Beverage Commission's (ABC) workload by a nominal amount. There are currently 54 beer wholesaler and 25 wine wholesaler permits in Indiana.

Explanation of State Revenues: (Revised) This bill provides that the city of Mishawaka may obtain a permit for the retail sale of alcoholic beverages at the city golf course. This would increase permit fee revenue by a minimal amount. The annual fee for a *beer retailer* permit in a second class city is \$200. The annual fee for a *liquor retailer* permit in a second class city is \$675. The annual fee for a *wine retailer* permit is \$25 if the retailer holds a beer and/or liquor retailer permit and \$50 if the retailer does not hold any other permit. If all three retail permits are applied for, the total annual fee revenue would equal \$900. One-third

of permit fee revenue is distributed to the state General Fund.

This may increase the amount of alcoholic beverages sold, which would increase excise tax revenue. Excise tax revenue is deposited in the state General Fund, the Post War Construction Fund, the ABC's Enforcement and Administration Fund, the Pension Relief Fund, the Addiction Services Fund, and the Wine Grape Market Development Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) This bill provides that the city of Mishawaka may obtain a permit for the retail sale of alcoholic beverages at the city golf course. Two-thirds of permit fee revenue is deposited in the general fund of the city and county where the permittee is located.

State Agencies Affected: Alcoholic Beverage Commission.

Local Agencies Affected: Mishawaka.

Information Sources: Don Okey, Alcoholic Beverage Commission, 232-2463; Thomas Coleman, Indiana Beverage Alliance, 687-9615.